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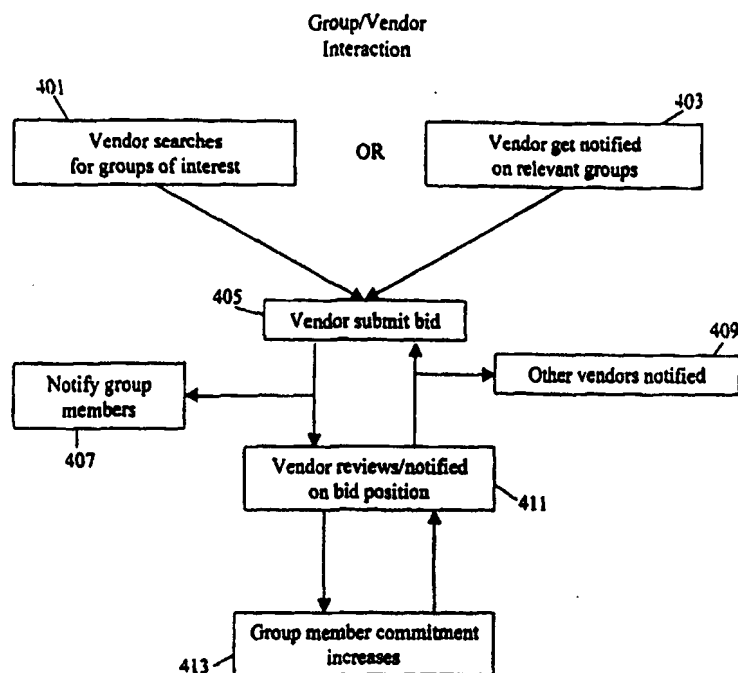
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(54) Title: METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB

(57) Abstract

A method and system are provided for using a computer to facilitate a sales transaction between a group of buyers and at least one seller. Potential buyers may create a group organized for purchasing a product/service from one or more sellers. The computer system may output the buyers' collective request for the product/service to one or more sellers of the requested item. The sellers may respond by providing a price quotation for the requested item, often on the basis of the number of such items to be purchased by the group. The computer system notifies group members of the submitted seller quotations, in response to which some buyers may commit themselves to purchasing the item at the specified price or otherwise indicating a price at which they would be willing to commit to purchasing the item. Sellers may review the price quotations submitted by other sellers and submit competing price quotations. In a typical arrangement, an iterative process ensues in which sellers offer lower and lower prices for the requested products/services until reaching a point at which one or more buyers in the group are sufficiently comfortable with the price to commit themselves to purchasing the product/service.



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5 BACKGROUND OF THE INVENTION

The instant application is a conversion application of provisional application number 60/119,220, filed on February 8, 1999, entitled METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB, listing as inventors Amir ALON and Ilan JUDKIEWICZ.

10 1. Field of Invention

This invention is concerned with a method and apparatus for creating and managing consumer buying groups on electronic networks such as the Internet.

2. Description of Prior Art and Benefits of the Invention

15 Lawrence Lockwood, US Patent No. 5,576,951, describes an in-store automated sales and service system. In this system, the software generates a personalized sale presentation based on historical user data. Many such systems already exist on electronic networks such as the World Wide Web. See www.dell.com or www.amazon.com for further examples. Many sales
20 organizations today operate two separate sales channels for direct sales and support, respectively. For example, a sales organization may have a call center, such as a telephone call center that allows a customer to call in and speak with a sales person, that coexists with, but is not integrated into, a web site on which the customer can automatically and interactively choose a product and
25 configure his purchase.

Figure 1 describes a typical process in which a consumer searches for a product and looks for competitive deals between a variety of vendors. A consumer first chooses a product category, *e.g.*, VCRs (Step 101). The

consumer next uses an on-line product comparison service to identify a set of product features of interest to the consumer and the relative importance of each feature (Step 103). Either formally or informally, the consumer arrives at either a single product of interest (e.g., Sony VCR Model No. 1460) and/or a
5 list of product parameters important to the consumer. The consumer then searches for current retail prices for the specific product of interest or for products satisfying the product parameter list (Step 105). The consumer's search will eventually lead to a choice of whether he/she should purchase a product or not (Step 107). If the consumer decides to purchase the product
10 (Step 107), then the consumer will buy the product from the selected merchant vendor (Step 109). Otherwise, the consumer will choose not to make a purchase (Step 111).

Another popular shopping process comprises using an online auction system, such as uBid.com or eBay.com. In such systems, the seller provides a
15 limited quantity of certain items to be sold to the highest bidder.

In addition, US Patent No. 5,794,207 to Walker et al. describes a method and apparatus for effectuating bilateral buyer-driven commerce. In Walker's invention, the prospective buyers of goods and services communicate purchase offers globally to potential sellers, allowing sellers to search conveniently for
20 relevant buyer purchase offers, and for sellers potentially to bind a buyer to a contract based on the buyer's purchase offer.

It is well known that when a buyer makes a purchase in a large quantity he can typically receive a better price than a purchase in a small quantity. What is missing in the prior art is a method and apparatus to bring together
25 many individual buyers to form a group so that they may together seek the best deal from the sellers.

It would therefore be desirable to provide a method and an apparatus for creating and maintaining groups of buyers.

It would further be desirable to provide a mechanism and tools for the interaction of a buying group and various sellers.

5

SUMMARY OF THE INVENTION

Embodiments of the invention provide a method for using a computer to facilitate a sales transaction for the purchase of a product/service by a group of buyers from one or more sellers. The computer receives requests to purchase the product/service from buyers in the group. A collective request can be formed for purchasing the product/service using the received buyer requests. The collective request is sent to the seller who may in return send a suggested price quotation for the product/service. An agent entity is notified about the received suggested price whereupon buyers may decide to authorize the purchase of the product/service at the seller's suggested price quotation. The agent entity may be a buyer or the group itself, for example.

Embodiments of the invention also provide a method for using a computer to facilitate a sales transaction for the purchase of a product/service from one or more sellers. A seller may provide an agreed price for the product/service and/or a price reduction for the product/service on the basis of a group size. The computer may then receive requests to purchase the product/service by buyers, the buyers collectively forming a group. Monitoring of the group's size determines when/if the group has attained the size associated with the seller's agreed price or price reduction. If the appropriate group size is reached, then payment information may be provided to the seller.

Embodiments of the invention further provide a computer-readable data transmission medium containing a data structure that facilitates a sales transaction with a seller. The data transmission(s) sent to the seller may

comprise a first portion that specifies a product/service for purchase by a group of buyers; a second portion that specifies a collective request by the group to purchase the product/service; a third portion that requests price information for the product/service from the seller; a fourth portion that specifies a time
5 interval for which the collective request will remain active, and a fifth portion that specifies at least a minimum sales quantity for the product/service for which price information is requested.

Embodiments of the invention still further provide a computer-readable data transmission medium containing a data structure that facilitates a sales
10 transaction with a buyer. The data transmission(s) sent to the buyer may comprise: a first portion that specifies a product/service for which purchase has been requested by the buyer; a second portion that identifies a group into which the buyer's purchase request has been joined with other purchase requests for the same product/service; a third portion that identifies a price quotation for the
15 product/service received from a seller; and a fourth portion that asks the buyer if the buyer will commit to purchasing the product/service at the identified price quotation from the seller.

Embodiments of the invention additionally provide a computer-readable medium having computer-executable instructions for using a computer to
20 facilitate a sales transaction for the purchase of a product/service by a group of buyers from at least one seller. The computer receives requests to purchase the product/service by buyers in the group. The computer forms a collective request for purchasing the product/service based upon the received buyer requests. The computer sends the collective request to the seller who may
25 respond with a suggested price quotation for the product/service. The computer notifies an agent entity of the received suggested price quotation and may receive authorization from buyers for the purchase of the product/service at the seller's suggested price quotation.

Embodiments of the invention also provide a computer-readable medium having computer-executable instructions for using a computer to facilitate a sales transaction for the purchase of a product/service from at least one seller. A seller may provide an agreed price for the product/service and/or
5 a price reduction for the product/service on the basis of a particular group size. The computer may then receive requests to purchase the product/service by buyers, the buyers collectively forming a group. The computer may monitor the group's size to determine if the group has attained the size associated with the seller's agreed price or price reduction. If the computer detects that the
10 appropriate group size has been reached, then payment information may be provided to the seller.

Embodiments of the invention also provide a system for facilitating a sales transaction for the purchase of a product/service by a group of buyers from at least one seller. A purchase request receiver receives a request to
15 purchase the product/service by buyers in the group. A collective request former builds a collective request for the purchase of the product/service based upon the received purchase requests. A transmitter sends the collective request to at least one seller. A price quotation receiver receives suggested price quotations for the product/service from sellers. A price quotation notifier
20 notifies an agent entity of the received suggested price quotations. The agent entity may be a buyer in the group or the group, for example.

Embodiments of the invention additionally provide a system for facilitating a sales transaction for the purchase of a product/service from at least one seller. A memory retains an agreed price for the product/service from
25 at least one seller or a price reduction for the product/service for a particular group size from the seller. A purchase request receiver receives requests to purchase the product/service by buyers, the buyers collectively forming a group. A group monitor monitors the group to determine when/if the group attains the group size associated with the seller. A payment provider provides

payment information to the seller if the group monitor indicates that the group has attained the appropriate group size.

BRIEF DESCRIPTION OF THE DRAWINGS

5

FIG. 1 illustrates a prior art searching procedure used by a consumer to search for and purchase a product of interest.

FIG. 2 illustrates high-level steps occurring in the formation of a group, according to an embodiment of the invention.

10 FIG. 3 illustrates an exemplary communications process occurring when a group is formed, according to an embodiment of the invention.

FIG. 4 provides an overview of the process by which customer commitment may be acquired, according to an embodiment of the invention.

15 FIG. 5 provides a detailed example of the processes handled by the system controller, according to an embodiment of the invention.

DETAILED DESCRIPTION OF AN ILLUSTRATED EMBODIMENT OF THE INVENTION

20 Embodiments of the invention provide a method and an apparatus for effectuating the creation, lifetime management, and eventual dissolution of groups that pursue, or intend to pursue, the purchase of products and services. Embodiments of the invention allow prospective buyers of goods and services to communicate their desire to create such groups, to set-up the groups, and to
25 specify the groups' objectives, agenda, and timing parameters. Embodiments of the invention further facilitate the escalation and final commitment of group members to a purchase order for one or more products/services by their group.

Embodiments of the invention support the interactive negotiation with a vendor or multiple vendors by the apparatus or group members, during which
30 process both the group commitment escalates and the vendor's bid for the

group's purchase improves.

Embodiments of the invention also support the notification of both a group of sellers and a group of buyers regarding the group's bid/commit status.

Embodiments of the invention further support the secured, regulated
5 transmission of an aggregate transaction information package, including information about multiple credit cards, multiple methods of payment and multiple billing and shipping addresses from a single source to a vendor.

Embodiments of the invention may also support the assignment of roles to participants of the group.

10 These and other objects of the invention may be achieved by providing, for example, a software package and Web services that collectively accomplish for an exemplary group purchase:

- Creating groups of buyers,
- Adding new members to an existing group,
- 15 • Notifying buyers of pre-negotiated deals for group purchase,
- Notifying various vendors about the group and collecting vendor bids,
- Notifying buyers of existing vendor bids,
- Receiving buyer commitments to buy,
- 20 • Closing the deal with the vendor(s),
- Collecting member payment data, and
- Delivering payment data to the selected vendor(s).

Figures 2-5 of the drawings illustrate preferred embodiments of a method and system for implementing the invention. Of course, an ordinarily
25 skilled artisan will recognize alternative methods of accomplishing the invention described herein.

Figure 2 illustrates the process by which a group may be formed and how a buyer may join the group, according to an embodiment of the invention.

The buyer can select private or public groups (Step 201). Private groups may be controlled via password and ID, for example. A company Intranet, for example, can provide private groups for its employees. Once the buyer has located and entered the web page for group information, he can browse or
5 search (step 207) existing groups to see if any existing groups have been formed for purchasing the same product in which he is interested. The browser-supported search (step 207) may, for example, be undertaken by "product category," "geography," and/or "vendor," as well as other group parameters, such as its size and formation date.

10 The buyer can also search a database of pre-negotiated group deals (step 203). Typically, such deals will provide the price or discount amount that various vendors are willing to accept for specific products or product lines for certain group sizes. Sony, for example, may be willing to provide 10% discount on all products for groups exceeding 100 buyers.

15 If a group is found (step 209), the buyer can join the group by providing his information (step 211). If a group does not exist (step 209), the buyer can create the group by specifying the product that he is seeking (step 213). Of course, the buyer may simply create the group without first conducting a search (step 205).

20 Figure 3 illustrates exemplary procedures associated with creating a group and related communications, according to an embodiment of the invention. Forming the group may include the steps of specifying price targets or ranges (step 301) and specifying deadlines for joining the group and/or receiving purchase commitments from members; deadlines for receiving
25 vendor offers, and/or deadlines for closing the deal (step 303). Once a new group is formed, relevant vendors may be notified (step 305), as well as friends or other potential buyers (step 307) as part of concluding the group set-up procedure (step 309).

The notification processes associated with embodiments of the

invention, such as steps 305 and 307 above, can be carried out in a variety of ways, including but not limited to e-mail messages, Internet immediate messaging, voice messaging, beeper messaging, and facsimile transmission. Also, the vendors and group members can log into the web site at any time and
5 review the current status.

Figures 4 and 5 illustrate the communication and decision processes by which the price negotiation between the group and the vendor(s)/seller(s) is conducted, according to an embodiment of the invention. In Figure 4, the vendor(s) can either search for active groups of interest (step 401) or receive
10 automatic notification each time a relevant group is formed (step 403). The vendor(s) can submit a bid at any time (step 405). Bids which are submitted before the formation of the group can specify pre-negotiated prices and discounts if the group attains a certain size. Group members are notified of the best bids (step 407) and may use such information in making individual
15 commitment decisions (step 413).

Vendors may review bids submitted by other vendors and/or review the status of their own bid position (step 411). Of course, other vendors may also receive notification regarding bids submitted by other vendors (step 409). An iterative process may ensue in which subsequent bids from various vendors
20 result in lower bid prices, as indicated by the arrows shown between steps 405 and 411. Moreover, as vendors' bid positions become more favorable to the group, more and more individual group members may commit to the group purchase, as indicated by the arrows between steps 411 and 413.

Figure 5 illustrates in further detail interactions between vendors and
25 group members and how such interactions may be controlled, according to an embodiment of the invention. Communication messages between vendors 501-507 and group members 513-519 may be relayed through a central system controller 509 that runs the software and provides the communication medium between the vendors 501-507 and the group members 513-519. This process

can be monitored automatically or manually. A system clock 511, for example, can be used to check for deadlines. As a skilled artisan will recognize, the central system controller 509 may comprise a computer, such as a personal computer, and/or a dedicated hardware device.

5 The communication between the vendors 501-507 and the members 513-519 may include the current status of the groups, such as the total number of members, the number of committed members, the current bid, etc. Communications from the vendors 501-507 may include new bids. Communications from the members 513-519 may include commitments to buy
10 at the current bid or at a certain price point, as well as messages withdrawing from the group message.

A group may be designed to have a minimum mass group commitment requirement, such as a requirement that a single member express a desire to purchase a product/service (step 523). Member commitment may be gauged in
15 a variety ways (step 521). For example, a group member may submit a "limit order" indicating commitment at a particular price and/or a group member may submit a "market" order indicating commitment to a purchase at the market price. As members commit to the group purchase, their purchase information, such as credit card numbers, may be collected (step 527). The system
20 controller 509 may include functionality for collecting and retaining the payment information. In addition, as discussed above, the payment information may be collected in a secure manner to prevent unauthorized use of such information.

As previously discussed, an iterative negotiation process typically
25 facilitates the determination of the price for the product/service desired by the group and its members. The negotiation process may comprise one or more negotiation rounds between the vendors 501-507 and the group members 513-519 (step 525). The system controller 509 may include functionality configured to support the negotiation process, as indicated by the arrows

between the vendors 501-507 and the system controller 509 and the group members 513-519 and the system controller 509.

Once at least one group member 513-519 and one vendor 501-507 have met at an agreed upon a bid, the deal may be closed (step 529). Again, the system controller 509 may include functionality configured to support the closing process. The deal closing typically comprises collecting and transferring payment information to the vendor who then processes the purchase orders (step 531). The payment information, preferably by credit card number, can be collected from the buyer at various times as discussed above, including sign-in time and just prior to closing. A check to make sure that the funds are available can be made before submitting the payment or payment information. Alternatively, the payment or payment information can be collected from the individual members and one payment can be forwarded to the vendor.

Once the deal is closed, the group may dissolve, or alternatively, some of the members may continue to try for an even better price.

It is apparent that a wide range of different working modes can be formed based on the invention without deviating from the its spirit and scope. Accordingly, this invention is not restricted by the specific embodiments disclosed herein. One skilled in the art may easily recognize numerous alternate approaches. For example, a skilled artisan will also recognize that the invention has been discussed in terms of both computer programs and systems utilizing hardware that perform similar functions, such as integrated circuits.

An ordinary artisan should require no additional explanation in developing the methods and systems described herein but may nevertheless find some possibly helpful guidance in the preparation of these methods and systems by examining standard reference works in the relevant art.

In general, in the following claims, the terms used should not be construed to limit the invention to the specific embodiments disclosed in the specification and the claims, but should be construed to include all such systems that operate under the claims set forth hereinbelow. Accordingly, the
5 invention is not limited by the disclosure, but instead its scope is to be determined entirely by the following claims.

Claims

What is claimed is:

1. A method for using a computer to facilitate a sales transaction for the purchase of a product/service by a group of buyers from at least one seller, comprising:
 - receiving into the computer requests to purchase the product/service by buyers of the group;
 - forming a collective request for the purchase of the product/service based upon the received buyer requests to purchase the product/service;
 - sending the collective request to the at least one seller;
 - receiving a suggested price quotation for the product/service from the at least one seller;
 - notifying an agent entity of the received suggested price quotation price;
 - receiving purchase authorization from at least one buyer in the group to buy the product/service at the received suggested price quotation.
2. The method of claim 1 wherein the agent entity is one of a buyer in the group or the group.
3. The method of claim 1, further comprising:
 - collecting payment information from the at least one buyer in the group who is interested in buying the product/service at the received suggested price quotation; and
 - sending the collected payment information to the at least one seller.
4. The method of claim 3 wherein the payment information is in the form of a credit card number for the at least one buyer in the group who is

interested in buying the product/service.

5 5. The method of claim 1, further comprising:
 receiving another suggested price quotation for the
product/service from at least another seller; and
 notifying the agent entity of the received another suggested price
quotation.

 6. The method of claim 5, further comprising:
 allowing the at least another seller to review the received price
quotation for the product/service from the at least one seller.

10 7. The method of claim 1 in which said computer is
configured to restrict buyers in the group to buyers matching a requirements
list.

 8. The method of claim 7 wherein the requirements list
includes as a requirement that more than one buyer in the group have a
15 common employer.

 9. The method of claim 1 wherein sending the collective
request to the at least one seller further comprises a price reduction request for
the product/service based on a number of buyers in the group.

20 10. The method of claim 9 wherein the price reduction request
further includes a preexisting group discount rate of the at least one seller.

 11. The method of claim 1 wherein the received suggested
price quotation is based on a number of buyers in the group.

 12. The method of claim 1, further comprising:
 receiving into the computer a group buy setup characteristics data
25 set that includes at least one of price targets for the product/service, buyer

deadlines for joining the group, buyer deadlines for submitting purchase authorization, and deadlines for closing the sales transaction.

13. The method of claim 1, further comprising:

providing a setup tool that facilitates receiving group buy setup
5 characteristics data that includes at least one of price targets for the
product/service, buyer deadlines for joining the group, and buyer deadlines for
receiving purchase authorization.

14. The method of claim 1 wherein the computer is connected
to an electronic network and wherein the received requests to purchase the
10 product/service are received over the electronic network.

15. The method of claim 14 wherein the electronic network is
at least one of the World Wide Web, the Internet, or an intranet.

16. The method of claim 14 wherein the received requests to
purchase the product/service are received in a secured format.

17. The method of claim 1 wherein the computer is connected
to an electronic network and wherein the received suggested price quotation for
the product/service is received over the electronic network.

18. The method of claim 1, further comprising:

providing the agent entity with pre-negotiated prices for the
20 product/service from the at least one seller.

19. The method of claim 1 wherein notifying the agent entity
of the received suggested price quotation comprises sending a message to the
agent entity in a format of at least one of an e-mail message, an Internet
immediate message, a voice message, a beeper message, or a facsimile
25 message.

20. A method for using a computer to facilitate a sales transaction for the purchase of a product/service from at least one seller, comprising:

receiving from the at least one seller at least one of an agreed
5 price for the product/service or a price reduction for the product/service for at least one group size;

receiving into the computer requests to purchase the product/service by buyers, the buyers collectively forming a group;

monitoring the group to determine if the group has attained the at
10 least one group size; and

providing payment information to the at least one seller if the group attains the at least one group size.

21. The method of claim 20, further comprising:

requesting the at least one seller to honor the at least one of an
15 agreed price for the product/service or the price reduction for the product/service for the at least one group size.

22. The method of claim 20, further comprising:

collecting payment information from buyers in the group who have submitted requests to purchase the product/service.

20 23. The method of claim 22 wherein the payment information is in the form of a credit card number for each buyer of the buyers in the group who are interested in buying the product/service.

24. The method of claim 20, further comprising:

receiving another suggested price quotation for the
25 product/service from at least another seller; and

notifying at least one buyer in the group of the received another suggested price quotation.

25. The method of claim 20, further comprising:

allowing at least another seller to review the at least one of an agreed price for the product/service or the price reduction for the product/service for at least one group size from the at least one seller.

26. The method of claim 20 in which said computer is
5 configured to restrict buyers in the group to buyers matching a requirements list.

27. The method of claim 26 wherein the requirements list includes as a requirement that more than one buyer in the group have a common employer.

10 28. The method of claim 20, further comprising:
receiving into the computer group buy setup characteristics data that includes at least one of buyer deadlines for joining the group, buyer deadlines for submitting purchase authorization, and deadlines for closing the sales transaction.

15 29. The method of claim 20, further comprising:
providing a setup tool that facilitates receiving group buy setup characteristics data that includes at least one of buyer deadlines for joining the group and buyer deadlines for receiving purchase authorization.

20 30. The method of claim 20 wherein the computer is
connected to an electronic network and wherein the received requests to purchase the product/service are received over the electronic network.

31. The method of claim 20 wherein the electronic network is at least one of the World Wide Web, the Internet, or an intranet.

25 32. The method of claim 31 wherein the received requests to
purchase the product/service are received in a secured format.

33. The method of claim 20 wherein the computer is connected to an electronic network and wherein the payment information is provided to the at least one seller over the electronic network.

34. The method of claim 20, further comprising:
5 notifying at least one buyer in the group that the group has attained the at least one group size.

35. The method of claim 34 wherein the buyer in the group is notified via at least one of an e-mail message, an Internet immediate message, a voice message, a beeper message, and a facsimile message.

10 36. A computer-readable data transmission medium containing a data structure that facilitates a sales transaction with a seller comprising:

- (a) a first portion that specifies a product/service for purchase by a group comprised of more than one buyer;
- 15 (b) a second portion that specifies a collective request by the group to the purchase of the product/service;
- (c) a third portion that requests price information for the product/service from the seller;
- (d) a fourth portion that specifies a time interval for which the
20 collective request remains active; and
- (e) a fifth portion that specifies at least a minimum sales quantity of the product/service for which a price information is requested.

37. The computer-readable data transmission medium of claim 36, further comprising:
25 (f) a sixth portion that specifies price information provided by a competing seller of the product/service.

38. The computer-readable data transmission medium of claim 36, further comprising:

(f) a sixth portion that specifies a number of buyers in the group.

5 39. The computer-readable data transmission medium of claim 36 wherein the first through fifth portions are configured for transmission to the seller in an integral transmission.

40. A computer-readable data transmission medium containing a data structure that facilitates a sales transaction with a buyer
10 comprising:

(a) a first portion that specifies a product/service for which purchase has been requested by the buyer;

(b) a second portion that identifies a group into which the buyer's purchase request has been joined with other purchase requests for the
15 same product/service;

(c) a third portion that identifies a price quotation for the product/service received from a seller; and

(d) a fourth portion that asks the buyer if the buyer will commit to purchasing the product/service at the identified price quotation from
20 the seller.

41. The computer-readable data transmission medium of claim 40, further comprising:

(e) a fifth portion that solicits purchase information from the buyer if the buyer is willing to commit to the purchase of the product/service.

25 42. The computer-readable data transmission medium of claim 40, further comprising:

(e) a fifth portion that informs the buyer of a time period within which the buyer must respond or be assumed to have made a purchase

decision.

43. The computer-readable data transmission medium of claim 42 wherein the purchase decision is one of purchasing the product/service or declining to purchase the product/service.

5 44. The computer-readable data transmission medium of claim 40 wherein the first through fourth portions are configured for transmission to the buyer in an integral transmission.

45. A computer-readable medium having computer-executable instructions for using a computer to facilitate a sales transaction for the purchase of a product/service by a group of buyers from at least one seller, comprising:

receiving into the computer requests to purchase the product/service by buyers of the group;

15 forming a collective request for the purchase of the product/service based upon the received buyer requests to purchase the product/service;

sending the collective request to the at least one seller;

receiving a suggested price quotation for the product/service from the at least one seller;

20 notifying an agent entity of the received suggested price quotation; and

receiving purchase authorization from at least one buyer in the group to buy the product/service at the received suggested price quotation.

46. The computer-readable medium of claim 45 wherein the agent entity is one of a buyer in the group or the group.

47. The computer-readable medium of claim 45, further comprising:

- collecting payment information for the at least one buyer in the group who is interested in buying the product/service at the received suggested price quotation; and
5. sending the collected payment information to the at least one seller.

48. The computer-readable medium of claim 45, further comprising:

- 10 receiving another suggested price quotation for the product/service from at least another seller; and
- notifying the at least one buyer in the group of the received another suggested price quotation.

49. The computer-readable medium of claim 45 wherein
- 15 sending the collective request to the at least one seller further comprises a price reduction request for the product/service based on a number of buyers in the group.

50. The computer-readable medium of claim 49 wherein the price reduction request further includes a preexisting group discount rate from
- 20 the at least one seller.

51. The computer-readable medium of claim 45 wherein the received suggested price quotation is based on a number of buyers in the group.

52. A computer-readable medium having computer-executable instructions for using a computer to facilitate a sales transaction for the
- 25 purchase of a product/service from at least one seller, comprising:

receiving from the at least one seller at least one of an agreed price for the product/service or a price reduction for the product/service for at least one group size;

receiving into the computer requests to purchase the product/service by buyers, the buyers collectively forming a group;

monitoring the group to determine if the group has attained the at least one group size; and

5 providing payment information to the at least one seller if the group attains the at least one group size.

53. The computer-readable medium of claim 52, further comprising:

requesting the at least one seller to honor the at least one of an
10 agreed price for the product/service or the price reduction for the product/service for the at least one group size.

54. The computer-readable medium of claim 52, further comprising:

collecting payment information from buyers in the group who
15 have submitted requests to purchase the product/service.

55. The computer-readable medium of claim 52 wherein the payment information is in the form of a credit card number for each buyer of the buyers in the group who are interested in buying the product/service.

56. A system for facilitating a sales transaction for the
20 purchase of a product/service by a group of buyers from at least one seller, comprising:

a purchase request receiver configured to receive a request to purchase the product/service by at least one buyer of the group;

a collective request former configured to form a collective
25 request for the purchase of the product/service based upon the received requests to purchase the product/service;

a transmitter configured to send the collective request to the at least one seller;

a price quotation receiver configured to receive a suggested price quotation for the product/service from the at least one seller; and

a price quotation notifier configured to notify an agent entity of the received suggested price quotation.

5 57. The system of claim 56 wherein the agent entity is at least one buyer in the group and wherein the price quotation notifier is further configured to receive purchase authorization from the at least one buyer in the group who is interested in buying the product/service at the received suggested price quotation.

10 58. The system of claim 56, further comprising:
a payment collector configured to collect payment information from the buyers in the group who are interested in buying the product /service at the received suggested price quotation and send the collected payment information to the at least one seller.

15 59. The system of claim 58 wherein the payment collector processes payment information in the form of a credit card number for the buyers in the group who are interested in buying the product/service.

20 60. The system of claim 56 wherein the price quotation notifier is further configured to notify the agent entity of a received another suggested price quotation if the price quotation receiver receives another suggested price quotation for the product/service from at least another seller.

25 61. The system of claim 56, further comprising:
a price quotation repository that allows at least another seller to review the received price quotation for the product/service from the at least one seller.

62. The system of claim 56 wherein the purchase request receiver is further configured to restrict buyers in the group to buyers matching

a requirements list.

63. The system of claim 62 wherein the requirements list includes as a requirement that more than one buyer in the group have a common employer.

5 64. The system of claim 56 wherein the collective request former is further configured to form the collective request for the purchase of the product/service to include a price reduction request for the product/service based on a number of buyers in the group.

10 65. The system of claim 64 wherein the price reduction request further includes a preexisting group discount rate of the at least one seller.

66. The system of claim 56 wherein the collective request former includes a number of buyers in the group in the collective request.

15 67. The system of claim 56, further comprising:
a setup tool configured to establish group buy setup characteristics data that includes at least one of price targets for the product/service, buyer deadlines for joining the group, buyer deadlines for receiving purchase authorization, and deadlines for closing the sales transaction.

20 68. The system of claim 56 wherein the purchase request receiver is connected to an electronic network and wherein the purchase request receiver receives requests to purchase the product/service over the electronic network.

25 69. The system of claim 68 wherein the electronic network is at least one of the World Wide Web, the Internet, or an intranet.

70. The system of claim 68 wherein the purchase request receiver is further configured to receive requests to purchase the product/service in a secured format.

71. The system of claim 56 wherein the price quotation receiver is connected to an electronic network and wherein the price quotation receiver receives suggested price quotations for the product/service over the electronic network.

72. The system of claim 56, further comprising:
a purchase database configured to provide the buyers of the group
10 with pre-negotiated prices for the product/service from the at least one seller.

73. The system of claim 56 wherein the price quotation notifier is further configured to notify at least one buyer in the group of the received suggested price quotation by preparing a message to the buyer in a format of at least one of an e-mail message, Internet immediate message, voice
15 message, beeper message, and facsimile message.

74. A system for facilitating a sales transaction for the purchase of a product/service from at least one seller, comprising:
a memory configured to retain at least one of an agreed price for the product/service from the at least one seller or a price reduction for the
20 product/service for at least one group size from the at least one seller;
a purchase request receiver configured to receive requests to purchase the product/service by buyers, the buyers collectively forming a group;
a group monitor configured to monitor the group to determine if
25 the group has attained the at least one group size; and
a payment provider configured to provide payment information to the at least one seller if the group monitor indicates that the group has attained the at least one group size.

75. The system of claim 74, further comprising:

a sale manager configured to request the at least one seller to honor the at least one of an agreed price for the product/service or the price reduction for the product/service for the at least one group size.

5 76. The system of claim 74, further comprising:

a payment collector configured to collect payment information from buyers in the group who have submitted requests to purchase the product/service.

77. The method of claim 76 wherein the payment information
10 is in the form of a credit card number for each buyer in the group who is interested in buying the product/service.

78. The system of claim 74 wherein the memory is further configured to retain another suggested price quotation for the product/service from at least another seller, the system further comprising:

15 a price notifier configured to notify each of the buyers in the group of the received another suggested price quotation.

79. The system of claim 74 wherein the memory is further configured to allow at least another seller to review the at least one of an agreed price for the product/service or the price reduction for the
20 product/service for at least one group size from the at least one seller.

80. The system of claim 74 in which the purchase request receiver is configured to restrict buyers in the group to buyers matching a requirements list.

81. The method of claim 80 wherein the requirements list
25 includes as a requirement that more than one buyer in the group have a common employer.

82. The system of claim 74, further comprising:
a setup tool configured to provide a group buy setup characteristics data that includes at least one of buyer deadlines for joining the group, buyer deadlines for receiving purchase authorization, and deadlines for closing the sales transaction.

83. The system of claim 74 wherein the purchase request receiver is connected to an electronic network and wherein the purchase request receiver is further configured to receive requests to purchase the product/service over the electronic network.

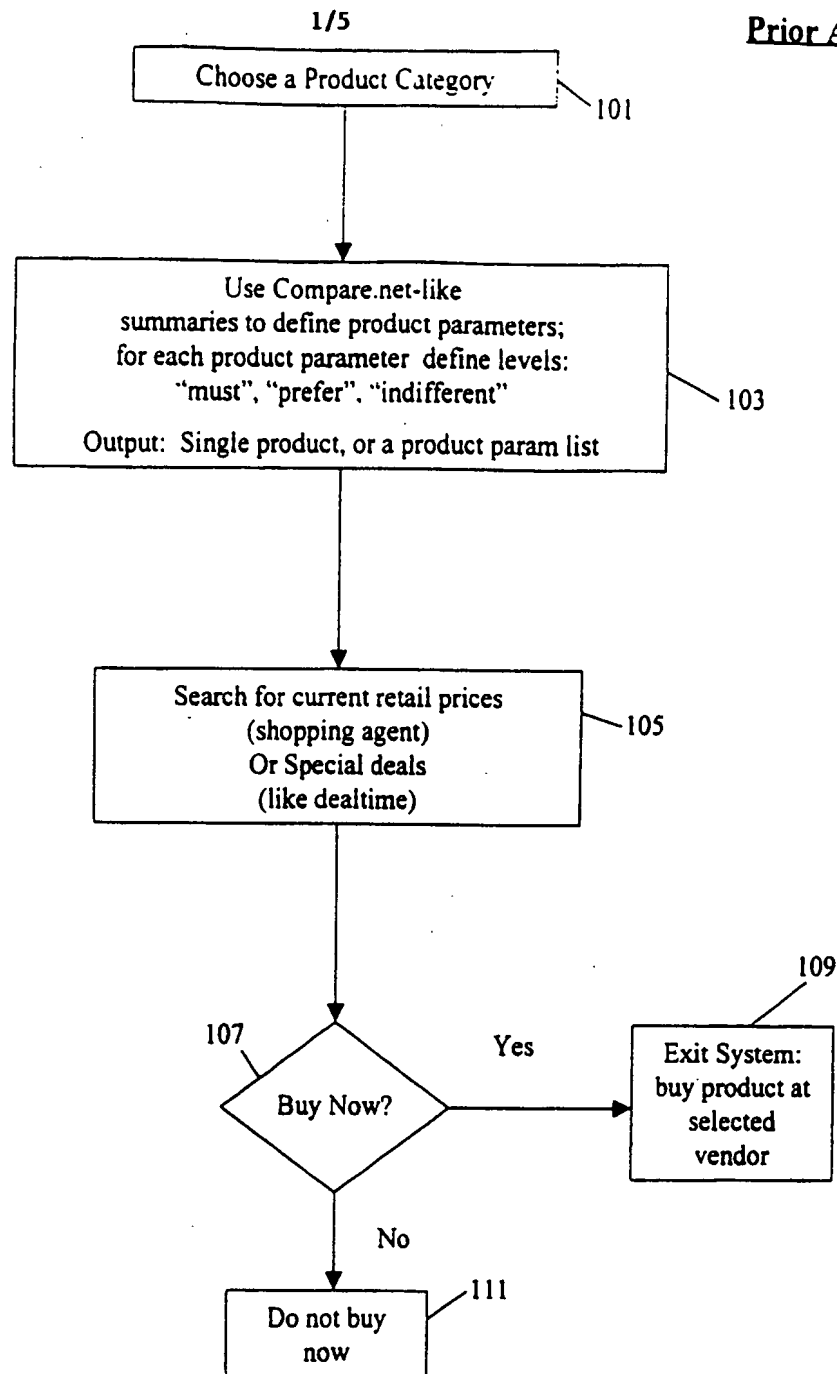
84. The system of claim 83 wherein the electronic network is at least one of the World Wide Web, the Internet, or an intranet.

85. The system of claim 83 wherein the purchase request receiver is further configured to receive requests to purchase the product/service in a secured format.

86. The system of claim 74 wherein the payment provider is connected to an electronic network and wherein the payment provider is further configured to provide the payment information to the at least one seller over the electronic network.

87. The system of claim 74, further comprising:
a group-buying notifier configured to notify at least one buyer in the group that the group has attained the at least one group size.

88. The system of claim 87 wherein the at least one buyer is notified via at least one of an e-mail message, Internet immediate message, voice message, beeper message, and facsimile message.

Prior Art**FIG. 1**

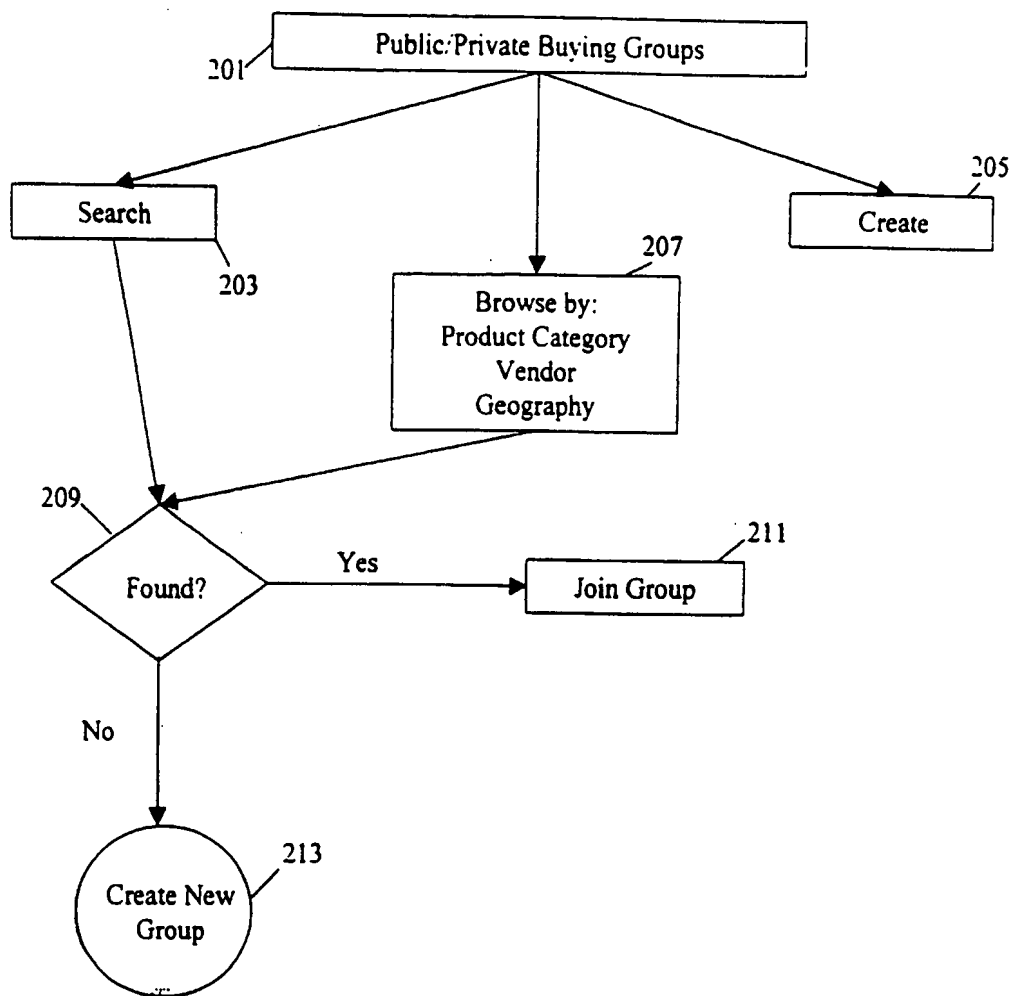


FIG. 2

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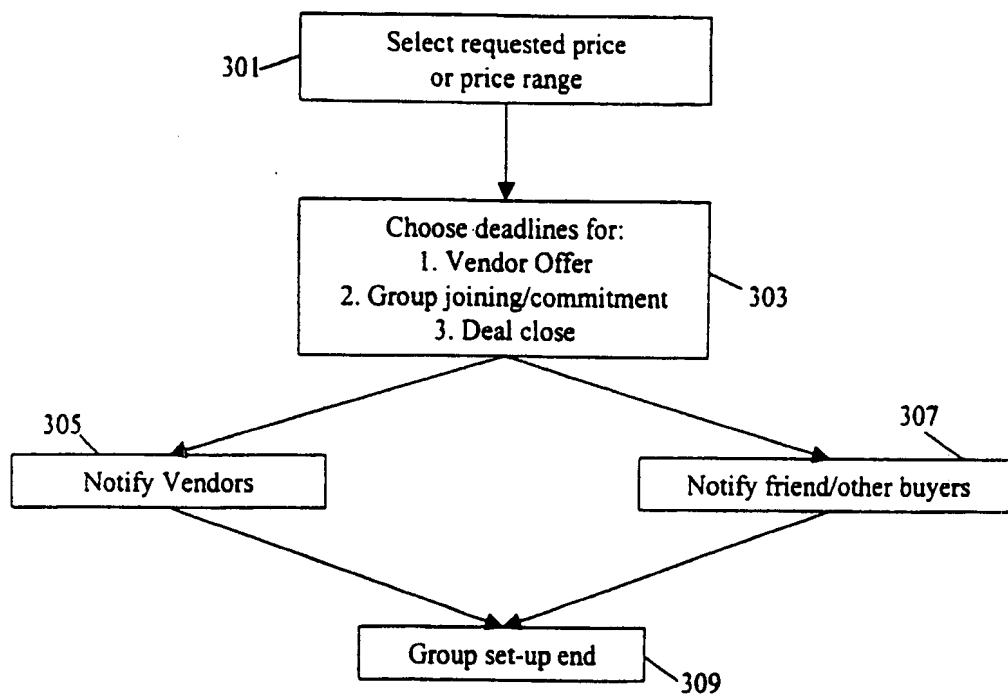


FIG. 3

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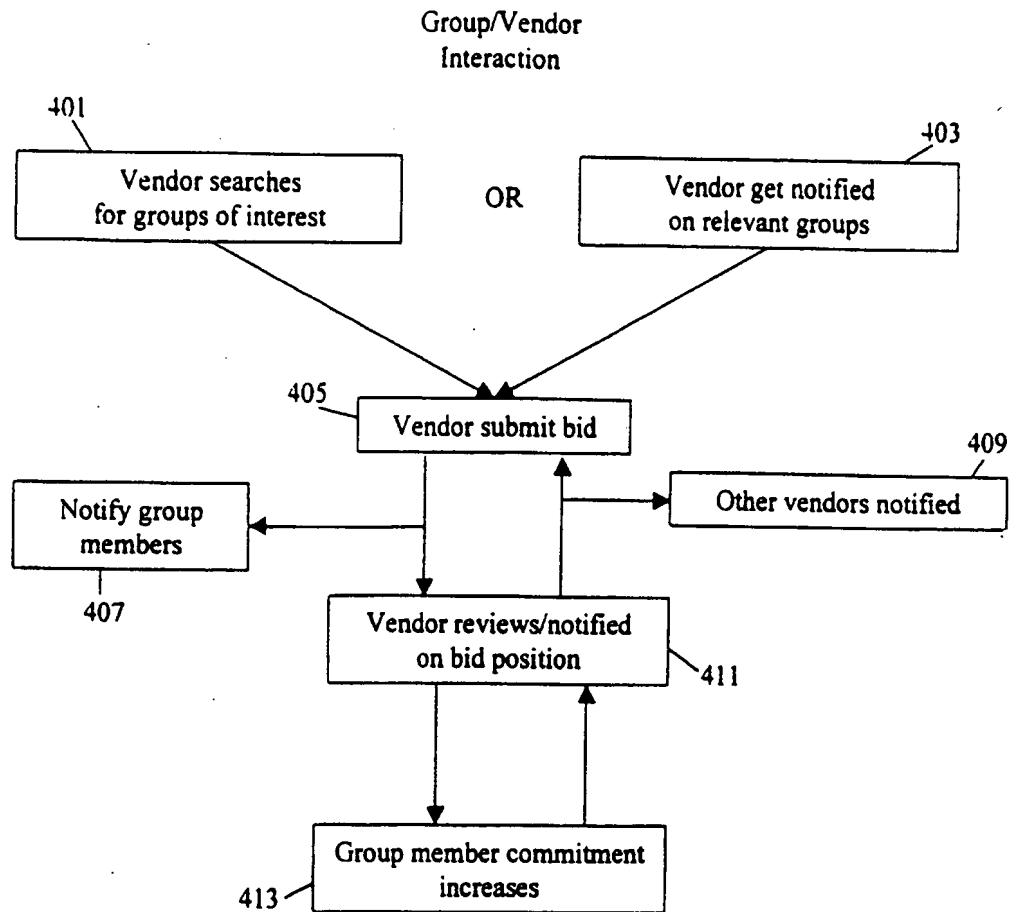


FIG. 4

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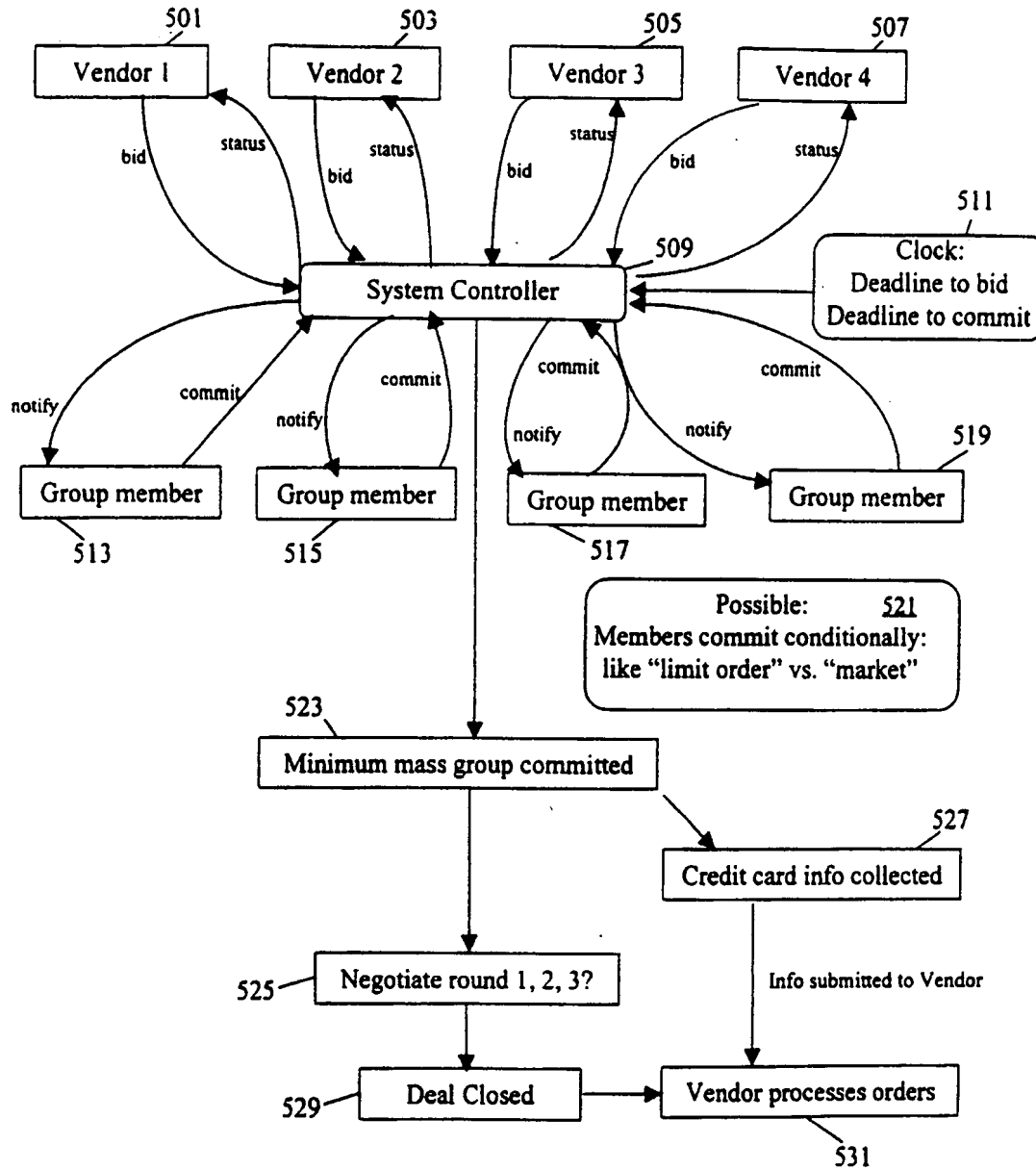
Group Commit
Escalation Process

FIG. 5

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DECLARATION OF NON-ESTABLISHMENT OF INTERNATIONAL SEARCH REPORT

(PCT Article 17(2)(a), Rules 13ter.1(c) and Rule 39)

Applicant's or agent's file reference MCTA004/01WO	IMPORTANT DECLARATION	Date of mailing(day/month/year) 12/03/2001
International application No. PCT/US 00/ 03164	International filing date(day/month/year) 07/02/2000	(Earliest) Priority date(day/month/year) 08/02/1999
International Patent Classification (IPC) or both national classification and IPC g06f17/60		
Applicant MERCATA, INC. et al.		

This International Searching Authority hereby declares, according to Article 17(2)(a), that **no international search report will be established** on the international application for the reasons indicated below

1. ☐ The subject matter of the international application relates to:
- a. ☐ scientific theories.
 - b. ☐ mathematical theories
 - c. ☐ plant varieties.
 - d. ☐ animal varieties.
 - e. ☐ essentially biological processes for the production of plants and animals, other than microbiological processes and the products of such processes.
 - f. ☐ schemes, rules or methods of doing business.
 - g. ☐ schemes, rules or methods of performing purely mental acts.
 - h. ☐ schemes, rules or methods of playing games.
 - i. ☐ methods for treatment of the human body by surgery or therapy.
 - j. ☐ methods for treatment of the animal body by surgery or therapy.
 - k. ☐ diagnostic methods practised on the human or animal body.
 - l. ☐ mere presentations of information.
 - m. ☐ computer programs for which this International Searching Authority is not equipped to search prior art.
2. ☐ The failure of the following parts of the international application to comply with prescribed requirements prevents a meaningful search from being carried out:
- ☐ the description ☒ the claims ☐ the drawings
3. ☐ The failure of the nucleotide and/or amino acid sequence listing to comply with the standard provided for in Annex C of the Administrative Instructions prevents a meaningful search from being carried out:
- ☐ the written form has not been furnished or does not comply with the standard.
- ☐ the computer readable form has not been furnished or does not comply with the standard.
4. Further comments: see further info

Name and mailing address of the International Searching Authority  European Patent Office, P.B. 5818 Patentlaan 2 NL-2280 HV Rijswijk Tel. (+31-70) 340-2040, Tx. 31 651 epo nl. Fax: (+31-70) 340-3016	Authorized officer Lucia Van Pinxteren
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FURTHER INFORMATION CONTINUED FROM PCT/ISA/ 203

The subject matter claimed falls under the provisions of Article 17(2)(a)(i) and Rule 39.1(iii), PCT, such subject matter relating to a method of doing business..

The applicant's attention is drawn to the fact that claims relating to inventions in respect of which no international search report has been established need not be the subject of an international preliminary examination (Rule 66.1(e) PCT). The applicant is advised that the EPO policy when acting as an International Preliminary Examining Authority is normally not to carry out a preliminary examination on matter which has not been searched. This is the case irrespective of whether or not the claims are amended following receipt of the search report or during any Chapter II procedure. If the application proceeds into the regional phase before the EPO, the applicant is reminded that a search may be carried out during examination before the EPO (see EPO Guideline C-VI, 8.5), should the problems which led to the Article 17(2) declaration be overcome.